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SUBJECT: KAZAKHSTAN: MFA CALLS APRIL 28 SUMMIT OF CENTRAL ASIAN LEADERS A SUCCESS

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¶1. (U) Sensitive but unclassified. Not for public Internet.

¶2. (SBU) SUMMARY. Kazakhstan's MFA regards the April 28 Summit of the Presidents of the Founding States of the International Fund to Save the Aral Sea as "successful," despite disagreements over water management issues. Kazakhstan hopes the summit will become an annual forum to make progress on regional issues. Kazakhstan sided with Uzbekistan over the Kambarata project in Kyrgyzstan because it was "upset" that the recent Kyrgyzstan-Russia agreement on Kambarata excluded Kazakhstan and was concerned about its own situation. If Afghanistan and Pakistan buy energy from Central Asia, such a project must also take into account the interests of all the involved Central Asian countries, the MFA told us. The formation of blocks within Central Asia would obstruct the resolution of regional water and energy problems. END SUMMARY.

APRIL 28 SUMMIT "SUCCESSFUL"

¶3. (SBU) MFA Central Asia Department head Gulmira Sultanali told the Regional Environmental Officer (REO) on May 14 that the Summit of the Presidents of the Founding States of the International Fund to Save the Aral Sea, which took place April 28 in Almaty, was "successful" because the presidents of the five Central Asian countries met, deliberated, and agreed to the idea of annual summits to continue discussions on regional issues. Sultanali acknowledged that the Summit strayed from the topic of the Aral Sea, but maintained that in spite of disagreements, it was successful because each side had a chance to express its views and air its concerns.

¶4. (SBU) Sultanali noted that the Interstate Commission for Water Coordination (ICWC), which was originally set up in 1992 to address the water management problem in Central Asia, ultimately drafted a cooperation agreement that all parties signed. However, the agreement could not be implemented, and now ICWC works mostly at the technical-level on water flow and water level issues. The ICWC can no longer resolve the regional water management problem in Central

Asia, Sultanali said, because water is no longer a technical matter; rather, it has become a serious and complicated political issue that can be handled only at the highest political levels.

¶ 15. (SBU) The dilemma, Sultanali said, is to find a mechanism that is suitable for all the countries. Each side has both energy and water concerns, with the upstream countries of Kyrgyzstan and Tajikistan needing electricity and heat in the winter, and the downstream countries of Turkmenistan, Uzbekistan, and Kazakhstan needing water for irrigation in the summer. Sultanali said that Kazakhstan is trying to bring the region together to find a consensus, and believes an annual summit is an appropriate forum to examine both water and energy together.

KAZAKHSTAN'S VIEWS ON THE KAMBARATA PROJECT

¶ 16. (SBU) Sultanali said that the recent agreement between Kyrgyzstan and Russia under which Russia would loan \$2 billion to Kyrgyzstan for the Kambarata hydroelectric project "upset" Kazakhstan very much, because it excluded Kazakhstan entirely. (NOTE: Kazakhstan was a possible investor in Kambarata and had been in negotiations with Kyrgyzstan prior to the deal with Russia. Such an investment would have given Kazakhstan a voice in determining downstream flows to Kazakhstan as well as giving it influence over Uzbekistan. END NOTE.)

¶ 17. (SBU) Sultanali said Kazakhstan finds itself consistently without sufficient water. She nevertheless argued that each country has a sovereign right to use its own resources -- an apparent reference to Kyrgyzstan and Tajikistan's insistence that water is a national resource and not a trans-boundary resource subject to international conventions -- but at the same time, any decision on hydroelectric projects or water management must be mutually acceptable to all parties.

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¶ 18. (SBU) Sultanali maintained that each country is hard at work protecting its own interests regarding water. She explained that on Kambarata, Kazakhstan had decided to side with Uzbekistan at the April 28 Summit because Kazakhstan also was concerned about its own situation. "At the very least," she said, "we need to listen to Uzbekistan's position." She said the region needs outside experts to come in and help bring the countries together, and for Kazakhstan the United Nations is the most suitable organization to do this.

¶ 19. (SBU) Sultanali appeared to be pessimistic about finding a solution to Central Asia's water resource management problem. She stressed the need for a suitable "mechanism," but she was not clear what one would look like. She saw annual summits as an appropriate starting point, and explained they would address a number of other regional problems in addition to water, such as drug trafficking and regional security.

ENERGY COOPERATION WITH AFGHANISTAN AND PAKISTAN

¶ 10. (SBU) Sultanali was aware that Afghanistan and Pakistan are interested in buying energy from Central Asia, and noted that Kyrgyzstan and Tajikistan are looking to develop their energy production potential because they have the water resources. She said Kazakhstan's position is that all Central Asian countries using the region's water resources must take into account the interests of the other Central Asian countries and must secure their agreement in advance to use them for energy for Afghanistan and Pakistan.

¶ 11. (SBU) Without a doubt, she said, the construction of the Kambarata project in Kyrgyzstan and the Rogun project in Tajikistan would affect Kazakhstan's interests. Transmission lines will also have to be built to send electricity to Afghanistan and Pakistan, and the Central Asian countries need to study closely the environmental impact of those lines. She again argued that the United Nations is the preferred "neutral" outside party to do this.

REGIONAL BLOCKS

¶ 12. (SBU) Sultanali briefly touched on the notion that blocks might

be forming within Central Asia after the April 28 Summit, with the upstream countries of Kyrgyzstan and Tajikistan on one side and the downstream countries of Turkmenistan, Uzbekistan, and Kazakhstan on the other. She hoped that Central Asia would not divide itself this way, because this would obstruct resolution of the water and energy problems.

¶113. (SBU) COMMENT: According a Central Asia-Caucasus Institute analyst, "Central Asian leaders seem to be caught in the classic prisoner's dilemma, when each is better off not cooperating while potentially rewarding cooperation is stalled because of lack of trust.... A viable water regime seems impossible with the current state of affairs...but the Central Asian states have no choice but to keep trying." Sultanali was expressing the MFA's hope for such cooperation, seeing an annual summit of the region's five presidents as an appropriate start in that direction. However, she was not optimistic about the outcome because it appears the Central Asian countries remain intent on separately pursuing their own interests.
END COMMENT.

MILAS